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MD Code, Public Utility Companies, § 7-306



West's Annotated Code of Maryland [Currentness](#)

Public Utility Companies ([Refs & Annos](#))

[Title 7](#). Gas, Electric, and Water Companies

[Subtitle 3](#). Consumer Relations

→ § 7-306. Net energy metering

(a)(1) In this section the following words have the meanings indicated.

(2) "Biomass" means "qualified biomass" as defined in [§ 7-701](#) of this title.

(3) "Eligible customer-generator" means a customer that owns and operates or leases and operates a biomass, solar, or wind electric generating facility that:

(i) is located on the customer's premises;

(ii) is interconnected and operated in parallel with an electric company's transmission and distribution facilities; and

(iii) is intended primarily to offset all or part of the customer's own electricity requirements.

(4) "Net energy metering" means measurement of the difference between the electricity that is supplied by an electric company and the electricity that is generated by an eligible customer-generator and fed back to the electric company over the eligible customer-generator's billing period.

(b) The General Assembly finds and declares that a program to provide net energy metering for eligible customer-generators is a means to encourage private investment in renewable energy resources, stimulate in-State economic growth, enhance continued diversification of the State's energy resource mix, and reduce costs of interconnection and administration.

(c) An electric company serving an eligible customer-generator shall ensure that the meter installed for net energy metering is capable of measuring the flow of electricity in two directions.

(d) The Commission shall require electric utilities to develop a standard contract or tariff for net energy metering and make it available to eligible customer-generators on a first-come, first-served basis until the rated generating capacity owned and operated by eligible customer-generators in the State reaches 1,500 megawatts.

(e)(1) Except as provided in subsection (g) of this section, a net energy metering contract or tariff shall be identical, in energy rates, rate structure, and monthly charges, to the contract or tariff that the customer would be assigned if the customer were not an eligible customer-generator.

(2)(i) A net energy metering contract or tariff may not include charges that would raise the eligible customer-generator's minimum monthly charge above that of customers of the rate class to which the eligible customer-generator would otherwise be assigned.

(ii) Charges prohibited by this paragraph include new or additional demand charges, standby charges, customer charges, and minimum monthly charges.

(f)(1) The electric company shall calculate net energy metering in accordance with this subsection.

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(2) Net energy produced or consumed on a monthly basis shall be measured in accordance with standard metering practices.

(3) If electricity supplied by the grid exceeds electricity generated by the eligible customer-generator during a month, the eligible customer-generator shall be billed for the net energy supplied in accordance with subsection (e) of this section.

(4) If electricity generated by the eligible customer-generator exceeds the electricity supplied by the grid, the eligible customer-generator shall be required to pay only customer charges for that month in accordance with subsection (e) of this section.

(5)(i) An eligible customer-generator under paragraph (4) of this subsection may accrue generation credit for a period not to exceed 12 months.

(ii) The electric company shall carry forward a negative kilowatt-hour reading until:

1. the eligible customer-generator's consumption of electricity from the grid eliminates the credit; or
2. the 12-month accrual period under subparagraph (i) of this paragraph expires.

(6) Any remaining accrued generation credit at the expiration of the 12-month accrual period under paragraph (5)(ii)2 of this subsection:

(i) shall revert to the electric company; and

(ii) may not be recovered by the eligible customer-generator.

(g)(1) For an eligible customer-generator whose facility is sized to produce energy in excess of the eligible customer-generator's annual energy consumption, the Commission:

(i) may require the eligible customer-generator to install a dual meter that is capable of measuring the flow of electricity in two directions; and

(ii) shall develop a credit formula that:

1. excludes recovery of transmission and distribution costs; and
2. provides that the credit may be calculated using a method other than a kilowatt-hour basis, including a method that allows a dollar- for-dollar offset of electricity supplied by the grid compared to electricity generated by the eligible customer-generator.

(2) In determining whether to require an eligible customer-generator to install a dual meter under paragraph (1)(i) of this subsection, the Commission shall consider the generating capacity of the eligible customer-generator.

(h)(1) The generating capacity of an electric generating system used by an eligible customer-generator for net metering may not exceed 2 megawatts.

(2) An electric generating system used by an eligible customer-generator for net metering shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories.

(3) The Commission may adopt by regulation additional control and testing requirements for eligible customer-generators that the Commission determines are necessary to protect public safety and system reliability.

(4) An electric company may not require an eligible customer-generator whose electric generating system meets

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the standards of paragraphs (2) and (3) of this subsection to:

- (i) install additional controls;
- (ii) perform or pay for additional tests; or
- (iii) purchase additional liability insurance.

(5) An eligible customer-generator shall own and have title to all renewable energy attributes or renewable energy credits associated with any electricity produced by its electric generating system.

(i) On or before February 1 of each year, the Commission shall report to the General Assembly, in accordance with [§ 2-1246 of the State Government Article](#), on the status of the net metering program under this section, including:

- (1) the amount of capacity of electric generating facilities owned and operated by eligible customer-generators in the State by type of energy resource;
- (2) based on the need to encourage a diversification of the State's energy resource mix to ensure reliability, whether the rated generating capacity limit in subsection (d) of this section should be altered; and
- (3) other pertinent information.

CREDIT(S)

Added by Acts 1998, c. 8, § 2, eff. Oct. 1, 1998. Amended by Acts 1999, c. 535, § 1, eff. Oct. 1, 1999; [Acts 2004, c. 542, § 1, eff. Oct. 1, 2004](#); [Acts 2005, c. 266, § 1, eff. Oct. 1, 2005](#); [Acts 2006, c. 121, § 1, eff. Oct. 1, 2006](#); [Acts 2006, c. 122, § 1, eff. Oct. 1, 2006](#); [Acts 2007, c. 119, § 1, eff. Oct. 1, 2007](#); [Acts 2007, c. 120, § 1, eff. Oct. 1, 2007](#).

PRIOR COMPILATIONS

Formerly Art. 78, § 54M.

LEGISLATIVE NOTES

Revisor's Note (Acts 1998, c. 8):

This section formerly was Art. 78, § 54M.

The only changes are in style.

Defined terms: "Commission" § 1-101

"Electric company" § 1-101

"Eligible customer-generator" § 7-206

"Net energy metering" § 7-206

"State" § 1-101

HISTORICAL AND STATUTORY NOTES

2006 Legislation

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[Acts 2006, c. 121](#), § 1, in subsec. (g)(2)(ii), contained the text "other than a kilowatt basis". [Acts 2006, c. 122](#), § 1, in subsec. (g)(2)(ii), contained the text "other than a kilowatt-hour basis". Pursuant to [Md. Code, Art. 1, § 17](#), the text as amended by [Acts 2006, c. 122](#), § 1, has been given effect.

2007 Legislation


[Acts 2007, c. 119](#), § 4, and [Acts 2007, c. 120](#), § 4, provide:

"SECTION 4. AND BE IT FURTHER ENACTED, That the requirement under § 7-306 (h)(5) of the Public Utility Companies Article, as enacted by Section 1 of this Act, for an eligible customer-generator to own and have title to all renewable energy attributes or renewable energy credits associated with any electricity produced by its electric generating system shall apply prospectively and may not be construed to:

- "(1) impair contracts that were entered into before the effective date of Section 1 of this Act; or
- "(2) prohibit contracts between an eligible customer-generator and another entity entered into on or after the effective date of Section 1 of this Act that explicitly transfers ownership of the renewable energy attributes or renewable energy credits from the eligible customer-generator to another entity."

LIBRARY REFERENCES

Electricity 9(1).

Gas 9.

Westlaw Key Number Searches: 145k9(1); 190k9.

[C.J.S. Electricity § § 5, 16.](#)

[C.J.S. Gas § § 3, 10, 12 to 14, 16 to 19, 29.](#)

RESEARCH REFERENCES

Encyclopedias

[Maryland Law Encyclopedia Electric Companies § 14](#), Meters.

MD Code, Public Utility Companies, § 7-306, MD PUBLIC UTIL COMP § 7-306

Current through all Chapters of the 2007 Regular Session of the Maryland General Assembly (Chapters 1 to 652)

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